

3584

RECEIVED
LEGISLATIVE AUDITOR
2008 OCT 10 PM 2:08

OFFICIAL
FILE COPY
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

**LOUISIANA SOYBEAN AND GRAIN
RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/19/08

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

TABLE OF CONTENTS

	<u>Page No.</u>
BASIC FINANCIAL STATEMENTS	
Independent Auditors' Report.....	1
Required Supplemental Information Management's Discussion and Analysis.....	4
Fund Financial Statements	
Statement of Net Assets	9
Statement of Revenues, Expenses and Changes in Fund Net Assets.....	10
Statement of Cash Flows.....	11
Notes to Financial Statements	
Index.....	14
Notes	15
SUPPLEMENTAL SCHEDULES AND INFORMATION	
Schedule of Per Diem Paid to Board Members	22
Schedule of Unrestricted Net Assets.....	23
Schedule of Assessments Paid to United Soybean Board.....	24
Report on Compliance and Other Matters and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25
Report on Compliance with Soybean Promotion, Research and Consumer Information Act of 1990 and the Soybean Promotion and Research Order Based on an Audit Performed in Accordance with <i>Government Auditing Standards</i>	27
Schedule of Findings and Questioned Costs.....	29
Summary Schedule of Prior Year Findings	30
Management's Corrective Action Plan	31
OTHER REQUIRED SUPPLEMENTARY INFORMATION	
Louisiana's Comprehensive Annual Financial Report	33

BASIC FINANCIAL STATEMENTS

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

.....
3121 Van Buren Street, Suite A
P. O. Box 30
Baker, Louisiana 70704-0030
Phone (225) 775-4982 * Fax (225) 775-4912
mstages@butlercpa.brcoxmail.com

Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT AUDITORS' REPORT

To the Board Members of the
Louisiana Soybean and Grain Research and Promotion Board
P. O. Box 95004
Baton Rouge, Louisiana 70895-9004

We have audited the accompanying financial statements of the business-type activities of the Louisiana Soybean and Grain Research and Promotion Board, a component unit of the State of Louisiana, as of and for the year ended June 30, 2008, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Louisiana Soybean and Grain Research and Promotion Board's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

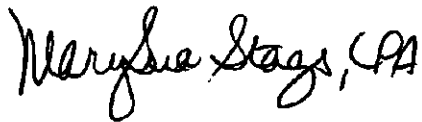
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Louisiana Soybean and Grain Research and Promotion Board as of June 30, 2008, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplemental information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Louisiana Soybean and Grain Research and Promotion Board's management. It has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2008, on our consideration of the Louisiana Soybean and Grain Research and Promotion Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying supplemental information listed in the table of contents under Supplemental Schedules and Information and Other Required Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA
A Professional Accounting Corporation
October 9, 2008

REQUIRED SUPPLEMENTAL INFORMATION

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

The purpose of this section is to offer a narrative overview and analysis of the Louisiana Soybean and Grain Research and Promotion Board's (hereafter referred to as the Board) financial performance during the year ended June 30, 2008. It focuses on the current year's activities, resulting changes and currently known facts. It should be read in conjunction with the financial report taken as a whole.

Financial Highlights

- The Board's assets exceeded its liabilities at the close of the year by \$1,078,545.
- Net assets increased by \$252,261 during the year.

Overview of the Financial Statement Presentation

These financial statements are comprised of these components – (1) management's discussion and analysis, (2) basic financial statements, (3) notes to the financial statements and (4) required supplemental information. There is also other supplementary information contained in this report provided for additional information.

Basic Financial Statements. The basic financial statements present information for the Board as a whole in a format designed to make the statements easier for the reader to understand. Statements in this section include the following:

Statement of Net Assets. This statement presents information on all of the Board's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or not.

Statement of Revenues, Expenses and Changes in Fund Net Assets. This statement presents information showing how the Board's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Board's financial reliance on general revenues.

Statement of Cash Flows. The change in cash as a result of current year operations is depicted in this statement. The cash flow statement includes a reconciliation of operating income (loss) to the net cash provided by or used for operating activities as required by GASB No. 34.

The basic financial statements begin on page 9.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The index of the notes is found on page 14 with the actual notes beginning immediately afterwards.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

Required Supplementary Information. As a component unit of the State of Louisiana, the Board complies with the reporting requirements of the Division of Administration, Office of Statewide Reporting and Accounting. The Louisiana Comprehensive Annual Financial Report completed with information relative to the Board is included in other required supplementary information.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that is deemed useful to readers of this report.

Financial Analysis of the Board

Net assets are an indicator of the Board's financial position from year to year. A summary of net assets follows.

SUMMARY OF NET ASSETS

	<u>2008</u>	<u>2007</u>
Assets		
Current assets	\$ 1,958,011.85	\$ 1,483,935.83
Non-current assets	<u>200,000.00</u>	<u>200,000.00</u>
Total Assets	2,158,011.85	1,683,935.83
 Liabilities		
Current liabilities	<u>1,079,466.40</u>	<u>857,651.14</u>
 Net Assets		
Unrestricted	<u>1,078,545.45</u>	<u>826,284.69</u>

Between June 30, 2007 and June 30, 2008, net assets of the Board increased by \$252,261 or 30%. This is a result, primarily, of increased revenues. Assessments collected increased by 58%.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

A summary of changes in net assets is as follows:

SUMMARY OF CHANGES IN NET ASSETS

	<u>2008</u>	<u>2007</u>
Operating Revenues	\$ 1,733,758.93	\$ 1,096,047.42
Operating Expenses	<u>(1,534,855.93)</u>	<u>(1,268,461.59)</u>
Operating Income (Loss)	198,903.00	(172,414.17)
Non-operating Revenues (Expenses)	<u>53,357.76</u>	<u>70,357.25</u>
Change in Net Assets	<u>252,260.76</u>	<u>(102,056.62)</u>

Revenues increased by \$637,712 or 58% while expenses increased by only \$266,394 or 21%,

Cash flow activity of the Board for the past two years is as follows:

STATEMENT OF CASH FLOWS

	<u>2008</u>	<u>2007</u>
Cash and cash equivalents provided by (used for):		
Operating activities	\$ 364,481.44	\$ 255,593.98
Non-capital financing activities	.00	.00
Capital and related financing activities	.00	.00
Investing activities	<u>53,357.76</u>	<u>70,357.25</u>
Net Increase in Cash and Cash Equivalents	417,839.20	295,951.23
Cash and cash equivalents, beginning of year	<u>1,429,851.20</u>	<u>1,133,899.97</u>
Cash and cash equivalents, end of year	<u>1,847,690.40</u>	<u>1,429,851.20</u>

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

Capital Asset and Debt Administration

Capital Assets: The Board does not currently own any capital assets.

Debt Administration: The Board does not have any debt outside of trade payables.

Economic Environment and Next Year's Budget

Ultimately, the harvested production of soybeans, corn, grain sorghum and wheat will determine the overall funds available for research and promotion projects. The Board allocates funds after the various grains are harvested and most of the assessments have been collected. Louisiana's production acreage for all of these crops is lower than the previous year. With normal yields and reduced acreage, the Board will have to give careful consideration in continuing to either reduce research programs or allocate reserves. For soybean projects, the income available will also be impacted by prices since the soybean assessments are a percent of value.

Request for Information

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations and demonstrate the Board's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Kyle McCann, P.O. Box 95004, Baton Rouge, Louisiana 70895-9004.

FUND FINANCIAL STATEMENTS

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2008

	<u>Business-type Activities</u>
<u>ASSETS</u>	
Current Assets	
Cash and cash equivalents	\$ 1,847,690.40
Accounts receivable	<u>110,321.45</u>
Total Current Assets	1,958,011.85
Non-Current Assets	
Investments	<u>200,000.00</u>
Total Assets	2,158,011.85
<u>LIABILITIES</u>	
Current Liabilities	
Accounts payable	1,028,505.00
Assessments payable - United Soybean Board	<u>50,961.40</u>
Total Current Liabilities	<u>1,079,466.40</u>
<u>NET ASSETS</u>	
Unrestricted	<u>1,078,545.45</u>
Total Net Assets	<u><u>1,078,545.45</u></u>

See Accompanying Notes and Auditors' Report

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>Business-type Activities</u>
<u>OPERATING REVENUES</u>	
Assessments, net of refunds/collection fees	<u>\$ 1,733,758.93</u>
Total Operating Revenues	1,733,758.93
<u>OPERATING EXPENSES</u>	
Assessments to United Soybean Board	499,681.86
Research and promotion	1,024,680.00
Professional services	3,624.98
Board meetings and travel	4,436.27
General and administrative	<u>2,432.82</u>
Total Operating Expenses	<u>1,534,855.93</u>
Operating Income	198,903.00
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest income	<u>53,357.76</u>
Change in Net Assets	252,260.76
Total Net Assets, beginning	<u>826,284.69</u>
Total Net Assets, ending	<u><u>1,078,545.45</u></u>

See Accompanying Notes and Auditors' Report

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,677,522.11
Cash paid to suppliers for goods/services	<u>(1,313,040.67)</u>
Net Cash Provided by Operating Activities	364,481.44
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received from investments	<u>53,357.76</u>
Net Cash Provided by Investing Activities	<u>53,357.76</u>
Net Increase in Cash and Cash Equivalents	417,839.20
Cash and Cash Equivalents, beginning of year	<u>1,429,851.20</u>
Cash and Cash Equivalents, end of year	<u><u>1,847,690.40</u></u>

Continued

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED JUNE 30, 2008

	<u>Business-type Activities</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 198,903.00
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
(Increase) decrease in assets:	
Accounts receivable	(56,236.82)
Increase (decrease) in liabilities:	
Accounts payable	195,073.00
Assessments payable	<u>26,742.26</u>
Net Cash Provided by Operating Activities	<u><u>364,481.44</u></u>

See Accompanying Notes and Auditors' Report

NOTES TO FINANCIAL STATEMENTS

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
INDEX TO NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

<u>Note No.</u>	<u>Description</u>	<u>Page No.</u>
	Introduction.....	15
1	Summary of Significant Accounting Policies.....	15
2	Cash and Cash Equivalents.....	18
3	Investments.....	18
4	Receivables	19
5	Leases.....	19
6	Accounts and Other Payables	19
7	Long-Term Liabilities	19
8	Related Party Transactions.....	19
9	Litigation.....	20
10	Subsequent Events	20

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

INTRODUCTION

The Louisiana Soybean and Grain Research and Promotion Board is a component unit of the State of Louisiana. It was created by Louisiana Revised Statute 3:551 within the Department of Agriculture and Forestry. The Board is charged with the responsibility of promoting the growth and development of the soybean, wheat, corn and grain sorghum industries in Louisiana through research and promotions.

The Board is composed of ten producer members that are appointed by the Governor of the State of Louisiana and serve terms concurrent with the Governor. Of the ten members, eight shall be soybean producers while two shall be practical producers of wheat, corn or grain sorghum. The Commissioner of Agriculture serves as an ex-officio member. Board members, as authorized by Louisiana Revised Statute 3:551.32, receive expense reimbursements to attend meetings or conduct board-approved business.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Louisiana Soybean and Grain Research and Promotion Board conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Board is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Louisiana Soybean and Grain Research and Promotion Board.

Fund Accounting: The Board uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

A fund is a separate entity with a self-balancing set of accounts. Funds of the Board are classified under one category: **proprietary**. This category, in turn, is further divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Proprietary Funds – used to account for governmental activities that are similar to activities performed by commercial enterprises in that goods/services are provided for a fee. Proprietary funds of the Board included the following fund types:

1. Enterprise Funds – account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting/Measurement Focus: In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles and are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

Basis of accounting refers to when revenues and expenses are recognized and reported and relates to the time of the measurement, regardless of the measurement focus applied. The fund financial statements of the Board are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of business-type activities are included in the statement of net assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. In these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

Operating/Non-Operating Revenues: Proprietary funds separately report operating and non-operating revenues. Revenues from assessments and grants for operating purposes are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Application of FASB Statements and Interpretations: Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Budgets and Budgetary Accounting: The Board adopts an annual budget prepared in accordance with the basis of accounting utilized by that fund although it is not legally required to do so. It is reviewed and amended, if necessary, at each Board meeting.

Cash and Cash Equivalents: Cash and cash equivalents include amounts in interest-bearing demand deposits. Under state law, the Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

Inventory: Inventory of the Board includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: Capital assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets. Generally, the Board includes all capital acquisitions with a cost of \$5,000 in its fixed asset inventory. However, certain items at a cost below that amount may be capitalized if benefits of the item will extend beyond one year and/or the Board wants to monitor the item. The Board does not have any capital assets at June 30, 2008.

Compensated Absences: The Board has no employees.

Net Assets: In the statement of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Restricted Net Assets

Net assets reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, the non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets. Restricted resources are exhausted before unrestricted net assets are used.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

NOTE 2 – CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 2008:

	<u>Book Balance</u>	<u>Bank Balance</u>
Interest-bearing demand deposits	\$ 1,847,690.40	\$ 1,847,735.85

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within this category. Deposits of the Board are secured with \$100,000 (Capital One) of insurance through FDIC and \$2,255,148 of pledged collateral.

NOTE 3 – INVESTMENTS

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity or are held either by the counter-party or the counter-party's trust department or agent but not in the entity's name. All investments of the Board are certificates of deposit with maturities extending beyond 90 days. They are not subject to custodial credit risk. At June 30, 2008, the Board had one certificate whose reported amount equaled its fair value as follows:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Capital One	9/28/08	1.50%	<u>\$ 200,000.00</u>

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 4 – RECEIVABLES

The Board receives an assessment of one-cent per bushel on soybeans and one-half cent per bushel on wheat, corn and grain sorghum grown within the State. It is collected by the buyer at the first point of sale and remitted each month to the Commissioner of Agriculture. It is forwarded the following month, less administrative fees, to the Board. May and June collections remitted to the Board in the subsequent period included the following:

<u>Class of Receivable</u>	<u>Amount</u>
Assessments	<u>\$ 110,321.45</u>

The allowance for doubtful accounts is set at zero percent because collection is expected at 100%.

NOTE 5 - LEASES

The Board did not have any operating or capital leases at June 30, 2008.

NOTE 6 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2008:

<u>Class of Payables</u>	<u>Amount</u>
Accounts	\$ 1,028,505.00
Assessments	<u>50,961.40</u>
Total	<u>1,079,466.40</u>

NOTE 7 – LONG-TERM LIABILITIES

The Board has no long-term debt.

NOTE 8 – RELATED PARTY TRANSACTIONS

The Board is a member of the United Soybean Board and has certain compliance requirements to that Board under the Soybean Promotion, Research and Consumer Information Act. Assessments collected on behalf of and remitted to the United Soybean Board are presented in Supplemental Schedules and Information on page 24. A balance of \$50,961.40 is due to the United Soybean Board for the quarter ended June 30, 2008. This will be remitted in August of 2008.

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 9 – LITIGATION

There is no litigation that would require disclosure in this report.

NOTE 10 – SUBSEQUENT EVENTS

There have been no events between the close of the year through issuance of this report that would materially impact these financial statements.

SUPPLEMENTAL SCHEDULES AND INFORMATION

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2008**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, a schedule of per diem paid to board members should be presented.

Board members of the Louisiana Soybean and Grain Research and Promotion Board do not receive a per diem for attending Board meetings. They are reimbursed for their actual expenses.

A listing of Board members is as follows:

<u>Name</u>	<u>Parish</u>
Lemoine, III, Byron F. (chair)	Avoyelles
Boudreaux, Ike P. (vice-chair)	St. Landry
Zaunbrecher, Donald (secretary/treasurer)	West Baton Rouge
Bordelon, J.K.	Avoyelles
Hunter, Jerry D.	Richland
Marshall, Donald H.	Concordia
Rodrigue, Leslie L.	St. John the Baptist
Schexnayder, Donald M.	West Baton Rouge
Schexnayder, Jr., Raymond S.	Pointe Coupee
Vandeven, Darrell	Tensas

New Board Members – Jindal Administration

Cannatella, Charles J.	St. Landry
Franchébois, Leo	St. Landry
Olivier, Joey	St. Martin
Polotzola, Carlos	St. Landry
Thevis, Robert	Avoyelles

See Auditors' Report

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SCHEDULE OF UNRESTRICTED NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>Soybean</u>	<u>Grains</u>	<u>Total</u>
Cash and Cash Equivalents			
Interest-bearing demand deposits	\$ 948,634.47	\$ 899,055.93	\$ 1,847,690.40
Accounts Receivables			
Assessments	24,563.41	85,758.04	110,321.45
Investments			
Certificate of Deposit	200,000.00	-	200,000.00
Totals Assets	1,173,197.88	984,813.97	2,158,011.85
Accounts Payable			
LSU Agriculture Center	566,465.00	413,215.00	979,680.00
USGC	-	25,000.00	25,000.00
NCGA	-	15,000.00	15,000.00
NGSPA	-	5,000.00	5,000.00
Professional fees	2,193.45	1,631.55	3,825.00
United Soybean Board - assessments	50,961.40	-	50,961.40
Total Liabilities	619,619.85	459,846.55	1,079,466.40
Total Net Assets, Unrestricted	553,578.03	524,967.42	1,078,545.45

See Auditors' Report

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SCHEDULE OF ASSESSMENTS PAID TO UNITED SOYBEAN BOARD
YEAR ENDED JUNE 30, 2008

Under the United States Soybean Promotion, Research and Consumer Information Act, the United Soybean Board is allowed to assess one-half of one percent of the net market price of soybeans sold by the producer to the first purchaser. This Act further states that, "No more than one assessment shall be made on any soybeans" and that, "The Board shall use qualified State soybean boards to collect such assessments in States in which such boards operate." As a result, the Louisiana Soybean and Grain Research and Promotion Board is required to collect assessments from soybean producers on behalf of the United Soybean Board.

	<u>Soybeans</u>	<u>Grains</u>	<u>Total</u>
Assessments received	\$ 1,002,332.75	\$ 743,912.35	\$ 1,746,245.10
Refunds	<u>.00</u>	<u>(486.17)</u>	<u>(486.17)</u>
Sub-total	1,002,332.75	743,426.18	1,096,047.42
Collection expense ¹	<u>(2,969.03)</u>	<u>(9,030.97)</u>	<u>(12,000.00)</u>
Assessments, net	999,363.72	<u>734,395.21</u>	<u>1,733,758.93</u>
	<u>x 50%</u>		
USB assessment	<u>499,681.86</u>		

¹The Board receives the assessments from the Louisiana Department of Agriculture and Forestry net of this collection expense. The deduction of refunds and collection expenses incurred by the Board are allowed under the Act.

See Auditors' Report

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

.....
3121 Van Buren Street, Suite A
P. O. Box 30
Baker, Louisiana 70704-0030
Phone (225) 775-4982 * Fax (225) 775-4912
mstages@butlercpa.brcoxmail.com

Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board Members of the
Louisiana Soybean and Grain Research and Promotion Board
P. O. Box 95004
Baton Rouge, Louisiana 70895-9004

We have audited the financial statements of the business-type activities of the Louisiana Soybean and Grain Research and Promotion Board as of and for the year ended June 30, 2008, which collectively comprise the Louisiana Soybean and Grain Research and Promotion Board's basic financial statements and have issued our report thereon dated October 9, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana Soybean and Grain Research and Promotion Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*. We did, however, note certain immaterial instances of noncompliance that we have reported to management of the Board in a separate letter dated October 9, 2008.

Internal Control Over Financial Reporting

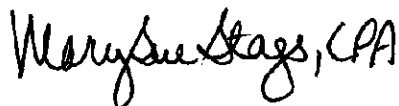
In planning and performing our audit, we considered the Louisiana Soybean and Grain Research and Promotion Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Soybean and Grain Research and Promotion Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Soybean and Grain Research and Promotion Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Louisiana Soybean and Grain Research and Promotion Board's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.



Mary Sue Stages, CPA
A Professional Accounting Corporation
October 9, 2008

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

.....
3121 Van Buren Street, Suite A
P. O. Box 30
Baker, Louisiana 70704-0030
Phone (225) 775-4982 * Fax (225) 775-4912
mstages@butlercpa.brcoxmail.com

Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

**REPORT ON COMPLIANCE WITH THE SOYBEAN PROMOTION, RESEARCH AND
CONSUMER INFORMATION ACT AND THE SOYBEAN PROMOTION
AND RESEARCH ORDER, BASED ON AN AUDIT PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

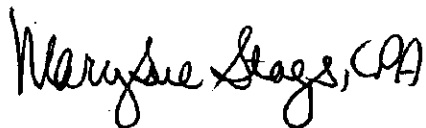
To the Board Members of the
Louisiana Soybean and Grain Research and Promotion Board
P. O. Box 95004
Baton Rouge, Louisiana 70895-9004

We have audited the basic financial statements of the Louisiana Soybean and Grain Research and Promotion Board as of and for the year ended June 30, 2008, and have issued our report thereon dated October 9, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance with the Soybean Promotion, Research and Consumer Information Act (hereafter referred to as the Act) and the Soybean Promotion and Research Order (hereafter referred to as the Order) relative to the use of funds collected by the State Board and with the terms described in Section 1220.228(a) of the Order relative to the investment of funds collected by the State Board is the responsibility of the Louisiana Soybean and Grain Research and Promotion Board's management. As part of obtaining reasonable assurance about whether the Louisiana Soybean and Grain Research and Promotion Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests, however, disclosed no instances of noncompliance with the Act or Order as described above that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA
A Professional Accounting Corporation
October 9, 2008

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008

We have audited the basic financial statements of the Louisiana Soybean and Grain Research and Promotion Board as of and for the year ended June 30, 2008, and have issued our report thereon dated October 9, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2008, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Control Deficiency	<input type="checkbox"/> No
	Material Weakness	<input type="checkbox"/> No
Compliance	Compliance Material to F/S	<input type="checkbox"/> No

2. Federal Awards

N/A

Section II Financial Statement Findings

None

Section III Federal Award Findings and Questioned Costs

N/A

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2008**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2008**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

2008-01 Timely Submission of Audit Report

Condition. The books and records were not provided timely thus allowing for submission of the basic financial statements on or before September 1st.

Recommendation. Plans should be made to provide the books and records of the Board to the auditor no later than July 31st of each year.

Management's Response. Management will comply with this recommendation.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2008**

As a component unit of the State of Louisiana, the financial statements of the Louisiana Soybean and Grain Research and Promotion Board are included in the State of Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration as required. The amounts recorded have been subjected to the same auditing procedures as those recorded in the accompanying financial statements.

LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2008

C O N T E N T S

	<u>Statements</u>
Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities	C
Statement of Cash Flows	D
Notes to the Financial Statements	
A. Summary of Significant Accounting Policies	
B. Budgetary Accounting	
C. Deposits with Financial Institutions and Investments (Information in Appendix B)	
D. Capital Assets – Including Capital Lease Assets	
E. Inventories	
F. Restricted Assets	
G. Leave	
H. Retirement System	
I. Other Post-employment Benefits (Information in Appendix F)	
J. Leases	
K. Long-Term Liabilities	
L. Contingent Liabilities	
M. Related Party Transactions	
N. Accounting Changes	
O. In-Kind Contributions	
P. Defeased Issues	
Q. Revenues or Receivables – Pledged or Sold (GASB 48) (See Appendix G)	
R. Government-Mandated Non-exchange Transactions (Grants)	
S. Violations of Finance-Related Legal or Contractual Provisions	
T. Short-Term Debt	
U. Disaggregation of Receivable Balances	
V. Disaggregation of Payable Balances	
W. Subsequent Events	
X. Segment Information	
Y. Due to/Due from and Transfers	
Z. Liabilities Payable from Restricted Assets	
AA. Prior-Year Restatement of Net Assets	
BB. Net Assets Restricted by Enabling Legislation (Information in Appendix C)	
CC. Impairment of Capital Assets (Information in Appendix D)	
DD. Employee Termination Benefits	
Schedules	
1 Schedule of Per Diem Paid to Board Members	
15 Comparison Figures	

STATE OF LOUISIANA
LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
BALANCE SHEET
AS OF JUNE 30, 2008

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 1,847,690
Investments	
Receivables (net of allowance for doubtful accounts)(Note U)	110,321
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	1,958,012

NONCURRENT ASSETS:

Restricted assets (Note F):

Cash	
Investments	
Receivables	
Investments	200,000
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	
Machinery and equipment	
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	200,000
Total assets	\$ 2,158,012

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 1,079,466
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable	
Other long-term liabilities	
Total current liabilities	1,079,466

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations (Note J)	
Claims and litigation payable (Note K)	
Notes payable	
Bonds payable	
OPEB payable	
Other long-term liabilities	
Total noncurrent liabilities	-
Total liabilities	1,079,466

NET ASSETS

Invested in capital assets, net of related debt	
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	1,078,545
Total net assets	1,078,545
Total liabilities and net assets	\$ 2,158,012

The accompanying notes are an integral part of this financial statement.
Statement A

**STATE OF LOUISIANA
LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	<u>1,733,759</u>
Use of money and property	_____
Licenses, permits, and fees	_____
Other	_____
Total operating revenues	<u>1,733,759</u>
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	<u>1,534,856</u>
Depreciation	_____
Amortization	_____
Total operating expenses	<u>1,534,856</u>
Operating income(loss)	<u>198,903</u>
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	<u>53,358</u>
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	_____
Other expense	_____
Total non-operating revenues(expenses)	<u>53,358</u>
Income(loss) before contributions, extraordinary items, and transfers	<u>252,261</u>
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	<u>252,261</u>
Total net assets – beginning	<u>826,285</u>
Total net assets – ending	\$ <u>1,078,545</u>

The accompanying notes are an integral part of this financial statement.
Statement B

STATE OF LOUISIANA
LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

	Program Revenues				Net (Expense)
		Operating	Capital		
	Charges for	Grants and	Grants and		
	Services	Contributions	Contributions		
	Expenses				Revenue and
					Changes in
					Net Assets
Entity	\$ 1,534,856	\$	\$	\$	(1,534,856)
General revenues:					
Taxes					
Assessments					1,733,759
Grants and contributions not restricted to specific programs					
Interest					53,358
Miscellaneous					
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					1,787,117
Change in net assets					252,261
Net assets - beginning as restated					826,285
Net assets - ending				\$	1,078,545

The accompanying notes are an integral part of this statement.
Statement C

**STATE OF LOUISIANA
LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008**

Cash flows from operating activities

Cash received from customers	\$ 1,677,522	
Cash payments to suppliers for goods and services	(1,313,041)	
Cash payments to employees for services		
Payments in lieu of taxes		
Internal activity payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		364,481

Cash flows from non-capital financing activities

State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing		-

Cash flows from capital and related financing activities

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related activities		-

Cash flows from investing activities

Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	53,358	
Net cash provided(used) by investing activities		53,358

Net increase(decrease) in cash and cash equivalents	417,839
Cash and cash equivalents at beginning of year	1,429,851
Cash and cash equivalents at end of year	\$ 1,847,690

Statement D (continued)

STATE OF LOUISIANA
LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ 198,903
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization		
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	(56,237)	
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	221,815	
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in OPEB payable		
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ 364,481

Schedule of non-cash investing, capital, and financing activities:

Borrowing under capital lease	\$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
Total noncash investing, capital, and financing activities:	\$	-

The accompanying notes are an integral part of this statement.
Statement D (concluded)

**STATE OF LOUISIANA
LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2008**

INTRODUCTION

The Louisiana Soybean & Grain Research & Promotion Board, hereinafter referred to as the Board, was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 3:551 within the Department of Agriculture and Forestry. The following is a brief description of the operations of the Board which includes the parish/parishes in which the Board is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Board present information only as to the transactions of the programs of the Board as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The Board adopts an annual budget although it is not legally required to do so.

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

STATE OF LOUISIANA
LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2008

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2008, consisted of the following:

	<u>Cash</u>	<u>Nonnegotiable Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Balance per agency books	\$ 1,847,690	\$	\$	\$ 1,847,690.40
Deposits in bank accounts per bank	\$ 1,847,736	\$	\$	\$ 1,847,735.85
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$	\$	\$	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$	\$	\$	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name.	\$	\$	\$	\$ -
Total Bank Balances - All Deposits	\$ 1,847,736	\$	\$	\$ 1,847,736

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Capital One	Operating	\$ 6,299
2. Capital One	Soybean	942,381
3. Capital One	Grains	899,056
4.		
Total		\$ 1,847,736

STATE OF LOUISIANA
LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2008

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$	<u>N/A</u>
Petty cash	\$	<u>N/A</u>

2. INVESTMENTS

The Board does maintain investment accounts as authorized by La. R.S. 33:2955.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the table on the next page, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by counter-party, or held by counter-party's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

The Board's only investments are certificates of deposit with maturities of greater than three months. None are considered at risk.

3. DERIVATIVES

N/A

4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

N/A

5. POLICIES

The Board's policy is to invest only in time deposits in which the value is fully insured.

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

N/A

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The Board has no capital assets.

E. INVENTORIES

N/A

STATE OF LOUISIANA
LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2008

F. RESTRICTED ASSETS

N/A

G. LEAVE

1. COMPENSATED ABSENCES

The Board has no employees.

2. COMPENSATORY LEAVE

The Board has no employees.

H. RETIREMENT SYSTEM

The Board has no employees.

I. OTHER POSTEMPLOYMENT BENEFITS

The Board has no employees.

J. LEASES

1. OPERATING/CAPITAL LEASES

The Board did not have any operating or capital leases

K. LONG-TERM LIABILITIES

The Board did not have any long-term liabilities at June 30, 2008.

L. CONTINGENT LIABILITIES

N/A

M. RELATED PARTY TRANSACTIONS

N/A

N. ACCOUNTING CHANGES

N/A

O. IN-KIND CONTRIBUTIONS

N/A

P. DEFEASED ISSUES

N/A

STATE OF LOUISIANA
LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2008

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

N/A

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

N/A

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

N/A

T. SHORT-TERM DEBT

N/A

U. DISAGGREGATION OF RECEIVABLE BALANCES

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	from other Governments	Other Receivables	Total Receivables
General	\$ 110,321	\$	\$	\$	\$ 110,321
					-
Gross receivables	\$ 110,321	\$	\$ -	\$	\$ 110,321
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ 110,321	\$ -	\$ -	\$ -	\$ 110,321
Amounts not scheduled for collection during the subsequent year	\$ 110,321	\$	\$	\$	\$ 110,321

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2008, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 1,028,505	\$	\$	\$ 50,961	\$ 1,079,466
Total payables	\$ 1,028,505	\$ -	\$ -	\$ 50,961	\$ 1,079,466

W. SUBSEQUENT EVENTS

N/A

STATE OF LOUISIANA
LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2008

X. SEGMENT INFORMATION

N/A

Y. DUE TO/DUE FROM AND TRANSFERS

N/A

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

N/A

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

N/A

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)

N/A

CC. IMPAIRMENT OF CAPITAL ASSETS

N/A

DD. EMPLOYEE TERMINATION BENEFITS

N/A

STATE OF LOUISIANA
LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 2008

<u>Name</u>	<u>Amount</u>
Lemoine, III, Byron F. (chair)	\$ 0
Boudreaux, Ike P. (vice-chair)	0
Zaunbrecher, Donald (secretary/treasurer)	0
Bordelon, J.K.	0
Hunter, Jerry D.	0
Marshall, Donald H.	0
Rodrigue, Leslie L.	0
Schexnayder, Donald M.	0
Schexnayder, Jr., Raymond S.	0
Vandeven, Darrell	0
<i>New Members - Jindal Administration</i>	
Cannatella, Charles J.	0
Franchébois, Leo	0
Olivier, Joey	0
Polotzola, Carlos	0
Thevis, Robert	0

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

STATE OF LOUISIANA
LOUISIANA SOYBEAN & GRAIN RESEARCH & PROMOTION BOARD
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2008</u>	<u>2007</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 359,573	\$ 351,291	\$ 8,282	\$ 2%
Expenses	323,163	304,010	19,153	6%
2) Capital assets	820	-0-	820	100%
Long-term debt			-	
Net Assets	362,877	326,467	36,410	11%
Explanation for change:				

SCHEDULE 15

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

.....
3121 Van Buren Street, Suite A
P. O. Box 30
Baker, Louisiana 70704-0030
Phone (225) 775-4982 * Fax (225) 775-4912
mstages@butlercpa.brcoxmail.com

Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

To the Board Members of the
Louisiana Soybean and Grain Research and Promotion Board
P. O. Box 95004
Baton Rouge, Louisiana 70895-9004

We have audited the basic financial statements of the Louisiana Soybean and Grain Research and Promotion Board as of and for the year ended June 30, 2008, and have issued our report thereon dated October 9, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As a part of our examination, we have issued our report on the financial statements and our report on internal control and compliance with laws, regulations, and contracts, dated October 10, 2008.

MANAGEMENT ISSUES

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance.

Suggestion 2008-01. Timely Submission of Audit Report

Criteria. La. Revised Statute 24:513 requires the Board to provide its books and records for audit annually and to submit a report to the Legislative Auditor and the Office of Statewide Reporting and Accounting timely. The date provided for in the contract is September 1st.

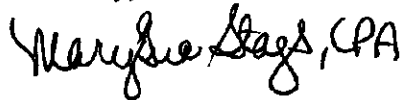
Condition. The books and records were not provided timely thus allowing for submission of the basic financial statements on or before September 1st.

Cause. Management's work schedule was unusually difficult.

Recommendation. While this appears to be an isolated incidence based on prior experience with the Board, it is our recommendation that plans be made to provide the books and records of the Board to the auditor no later than July 31st of each year.

We recommend management address the foregoing issue as an improvement to operations and the administration of public programs as this was the intent. We are available to further explain the suggestions or help implement the recommendation(s).

Sincerely,

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA
A Professional Accounting Corporation
October 9, 2008